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Docket No.: 4713-24
Date: July 21, 1997

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Transmitted herewith for filing is the patent application of:

Applicants: ALAN J. ROSS

For: SYSTEM AND METHOD FOR ASSURING PREDICTABLE GAINS

Enclosed are:

[X] Specification - 19 pages; Claims -3 pages; Abstract

[X] ( ) __ formal 4 informal Drawing(s)

[X] Declaration and Power of Attorney

[X] Assignment to MUTUAL LIFE INSURANCE COMPANY OF NEW YORK with Assigment transmittal letter

[ ] Small Entity Status Declaration

[ ] Preliminary Amendment

[ ] Information Disclosure Statement

[X] The filing fee is calculated below:

CLAIMS AS FILED							
For	Number Filed		Number Extra		Rate		Basic Fee $770.00
Total Claims	14 - 20	=	0	x	$22.00	=	-0-
Independent Claims	2 - 3	=	0	x	$80.00	=	-0-
	Presentation of multiple independent claims			x	$260.00	=	-0-
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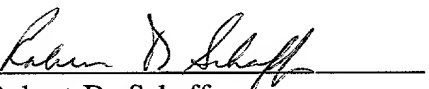
[X] A check in the amount of $770.00 to cover the filing fee is enclosed.

[ ] Certified Copy of priority document, claimed herein.

[ ] Applicant hereby claims priority under the International Convention and under 35 U.S.C. §119 based upon Patent Application No. filed in on .

[X] The Commissioner is hereby authorized to charge any additional fees which may required in connection With the filing of this application, or credit any overpayment, to Deposit Account No. 18-1843. A duplicate copy of this document is enclosed.

Respectfully submitted,



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Enclosures

Our Docket: 4713-24

SYSTEM AND METHOD FOR ASSURING PREDICTABLE GAINS

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SYSTEM AND METHOD FOR ASSURING PREDICTABLE GAINS

BACKGROUND OF THE INVENTION

I. Field of the Invention

The present invention generally relates to a system and method for achieving predictable amounts of incoming funds from an otherwise relatively unpredictable source. By utilizing this inventive system and method, a business concern can more efficiently manage its finances.

II. Description of the Prior Art

The element of "Risk" exists in a multitude of forms in the daily life of every person. A variety of instruments, financial and non-financial, have through the years been developed to assess and to indemnify and protect against these risk factors. Many of these instruments have, in the past, been developed as insurance products. Such insurance products have been specifically created, for example, to indemnify the risk associated with the unexpected loss of human life. These specific insurance instruments are known as life insurance policies.

The many different types of life insurance policies assess and charge for this indemnification utilizing, among other resources, tables of mortality statistics that are based on empirically expected numbers of deaths occurring within large pools of people. In short, by virtue of actuarially driven premium payments, life insurance allows for the indemnification of the unexpected loss of human life by the receipt of death benefits. The premiums developed allow for "spreading" of these risks over large pools of insureds.

Although insurance premiums in general, and life insurance premiums in particular, allow for this spreading of uncertainty, no system has been developed which allows for a different type of problem of uncertainty. This is the problem of not knowing when one may receive incoming funds from an unpredictable source. This lack of knowledge translates into large costs for example, costs associated with interest rates because funds must often be borrowed to account for cash and investment shortfalls, costs associated with deferring certain investments and purchases that are badly needed by a corporation (or individual), and other attendant costs associated with the lack of needed and necessary funds.

Institutions obtain through purchases, assignment or other ownership vehicles, ownership of life insurance coverage on the lives of people with whom they have an insurable interest. If these institutions, as policy holders of the life insurance policies, own too few policies, they are uncertain about when these policies will pay death benefits.

If the number of lives that are covered by those who purchased life insurance policies are too small to fall within numbers that could yield predictability about the timing of incoming death benefits, this creates an uncertainty as to the receipt of funds to the institution. If the institution's receipt of funds is uncertain then the aforementioned, concomitant financial difficulties arise. The financial probity of the institution can be more adequately assured if the mechanism of the present invention can be applied. This will result in a greater degree of statistical probability of incoming funds for those institutions using the invention herein described.

There is therefore a great need in the art for making predictable, an otherwise unpredictable date of receiving funds. Accordingly, there is now provided with this invention a system and method for assuring otherwise unpredictable gains and for effectively overcoming

the aforementioned difficulties and longstanding problems inherent in managing unpredictable inflows of funds. These problems have been solved in a simple, convenient, and highly effective way by which to assure a predictable inflow of funds. More particularly, the system and method of the present invention allows the owners of risk spreading insurance to formulate predictable patterns of the inflow of indemnification funds so as to enable those owners to realistically assess the financial impact of the risk spreading process. Additional objects of the present invention will become apparent from the following description.

SUMMARY OF THE PRESENT INVENTION

The method and system of the present invention is developed to be the opposite of risk spreading insurance. If insurance is designed to spread risk, the present invention has been designed to divide gain by applying those very same mortality tables to divide gains within a pool of many people.

As will be appreciated by those persons skilled in the art, a major advantage provided by the present invention is to make otherwise unpredictable inflows of funds more predictable. It is therefore an object of the present invention to provide for an investment and receiving vehicle which can function as a pool of incoming funds to be shared by parties associated with the pool. It is another object to associate a statistical table with the pool in order to assess the amounts allocated to those parties associated with the pool.

The method of the present invention is generally directed to distributing proceeds from a financial vehicle to participants thereof. The proceeds typically come from an insurance policy. The method comprises enrolling a participant in the vehicle, wherein said participant owns at least one of the insurance policies. This insurance policy is on a predetermined

statistical probability of an event occurrence associated therewith. This statistical probability is based upon a predetermined criteria. The method also comprises assigning proceeds to the vehicle; and receiving and applying the proceeds from the policy to the vehicle upon the occurrence of the event. The method further comprises distributing the proceeds from the vehicle to a participant based upon the relative statistical probability of the policy to other policies in the vehicle.

The method and apparatus of the present invention will be better understood by reference to the following detailed discussion of specific embodiments and the attached figures which illustrate and exemplify such embodiments.

DESCRIPTION OF THE DRAWINGS

A specific embodiment of the present invention will be described with reference to the following drawings, wherein:

Figure 1 is an overview of the system in which a preferred embodiment of the present invention is illustrated.

Figure 2 is a flow diagram illustrating the system and method of the present invention.

Figure 3 illustrates the receiving/investment vehicle database.

Figure 4 illustrates a representative example of the receiving/investment vehicle database with exemplary data.

DESCRIPTION OF THE PREFERRED EMBODIMENT

The following preferred embodiment as exemplified by the drawings is illustrative of the invention and is not intended to limit the invention as encompassed by the claims of this application. A system and method for making unpredictable receipts of funds more predictable is disclosed herein.

Figure 1 illustrates an overview of the system in which a preferred embodiment of the present invention is used. Figure 1 shows a processor 1, which can be one or more computers operated by a user of the present invention. It may include one computer or multiple computers which are located at one physical location. Alternatively, the processor may include multiple computers which are networked together across multiple physical locations. In this way, as is well known in the art, memory and processing may be distributed among the computers which make up the processor 1.

Associated with the processor 1, is an input device 5, for inputting data to the processor. Peripherals 6 may also be connected to the processor, as desired. Memory 8 may also be associated with the processor, as is well known in the art. The memory 6, typically, is machine readable media. Such media include, as is well known in the art, magnetic and/or optical media such as a hard disk, optical disk, floppy disk, tape, random access memory, read only memory, and/or any combination thereof. The memory (or portions thereof) may reside on a single computer, or may be distributed among the processors which make up the system of the present invention. A database 9, here, designated as the Receiving/Investment vehicle database, (R/I database), is accessible and is associated with the processor. The connections

between the processor 1 and its input device 5, its peripherals 6, the RAM/ROM 5, and the R/I database 9 are well known in the art and are therefore not further described here.

The system, as generally illustrated in Fig. 2, shows the method for making unpredictable receipts of funds more predictable. This system was developed to allow small groups of insured people to have the predictability of inflow that large groups of insured people have through the use of a vehicle that allows for the combinations of these small groups and enabling the application of "large group" statistics to the combination.

Thus small corporations, associations or other organized groups can achieve the same planning advantages of their larger counterparts.

Ideally, a group of insureds should be populated to the extent that some mortality will be reasonably assured to occur within the first enrollment period. Obviously the business need to get the pool started means that this ideal may take some time to be achieved. Thus, a minimum number of insureds must be established in order to get things started. Concomitantly, a minimum time period whereby mortality is expected to occur must also be designated.

Given the fact that most small insured groups, outside of the pool, generally cannot reasonably expect mortality to assure until 15 to 30 years have elapsed the business decision has been made that the initial pool of insureds should be of such a size that mortality and death benefit proceeds distribution should reasonably be expected to commence in a three year time period.

Enrollment of additional participants will proceed at a pace that should shorten this time period so that benefits will be distributed within the first - enrollment to distribution - period.

Following Figure 2, as shown in step 20, depending upon the number of insureds owned by the institution, a statistical determination of the uncertainty of the receipt of funds by that institution is made. This determination is made by computing the likelihood of receiving death benefits from any of the policies owned. When dealing with a group composed of a small number of insureds, such as 5, 25, or even 50 to 100 lives, statistical determinations as to short term mortality probabilities are extremely inaccurate. Thus, financial planning must be based on individual statistical assumptions which mandate long range life expectancy (such as death at 78-86) which are generally accepted industry assumptions and are used to illustrate assumed individual mortality.

Such determination is made for a predetermined period of time, for example, one year. Such determination can be made using either hardware or software configured for this purpose. If such uncertainty is deemed to be unacceptable, then the system and method of the present invention is applicable to the institution desirous of more certainty. The acceptability or unacceptability is made at a threshold level by the institution. In any event, in order to decrease the uncertainty of receiving funds, from death benefits for example, the system and method of the present invention is applied to the institution.

To apply the present invention to an institution desirous of reducing the uncertainty of receiving funds, an receiving/investment vehicle is established. Such establishment may be made at any point prior to receiving funds. The receiving/investment vehicle is preferentially established to receive death benefits assigned to the vehicle from participating entities. Several vehicles may be used, for example, a unit investment trust, a grantor trust, or other known vehicles as is well known by those skilled in the financial and investment arts. Of course, other receiving/investment vehicles may be used if other financial

considerations are taken into account. Nevertheless, when such receiving/investment vehicles are established, a minimum number of insureds should be determined in order for that vehicle to operate. This determination is made by calculating the degree of certainty that the vehicle will receive funds within a predetermined period of time.

Death benefits owned by the policy holders are assigned to the receiving/investment vehicle 40. Such assignment may be made by a collateral assignment, or direct policy assignment, as is well known by those skilled in the art. Such assignments are envisioned and are preferred to be wholly assigned. However, the present invention contemplates any level of assignment of the receipt of a benefit under an insurance policy to the receiving/investment vehicle (the R/I vehicle). By virtue of this assignment, the insurance carrier will be notified to forward any death benefit claimed directly to the R/I vehicle administrator.

Typically, a trust administrator oversees and administers the workings of the R/I vehicle, as is well known in the art. Alternatively, the R/I vehicle may be operated by one of the member parties. Such administration of the vehicle can be done in a variety of ways, all of which are deemed to be covered by the present invention. Such terms of the assignment of proceeds received to the R/I vehicle typically include restrictions, for example, termination of the assignment agreements, any of the ownership provisions, and its concomitant distribution methodology based on published designated formula, an agreement to assign the investment authority to the trust, an agreement to contribute to the administrative costs pursuant to the published cost structure, an agreement to allow additional participants at agreed upon intervals and methods, and other possible agreements. These terms are all included in a participation agreement between the parties wishing to increase the certainty of receiving funds from uncertain

sources, (in this particular embodiment, from death benefits received from life insurance policies).

An enrollment procedure 50, is then carried out which enrolls the entities wishing to increase their certainty of recovering funds as participants to the R/I vehicle. During this process it may be necessary to include a pre-enrollment procedure in which those wishing to participate are first aligned in order to assure the necessary number of participating entities needed. As part of the enrollment procedure, necessary information is entered into a database which tabulates this data for each participant. This database can be in the form of hardware or software as is well known in the art. Typically, for each participating institution, the number of insureds to be applied to the R/I vehicle is entered, the amount of coverage of each insured is allocated to the vehicle, the expected mortality of each insured is entered, the minimum and expected participation period and alternatively, the social security number is entered. Other entered data include, for example, underwriting class (guaranteed or non-guaranteed fully underwritten insurance), underwriting category (standard or substandard), age, sex, and smoking status.

With this knowledge, a participant may now forego the improbable possibility of receipt of a windfall (e.g. receipt of a death benefit) in favor of projected smaller, but more predictable, streams of inflow. To make the present invention profitable, minimum enrollment requirements may be established, for example, a minimum amount of insurance per life, the total amount of insurance per institution, etc. (50) Such criteria may be embedded within the program, or, may be a separate database, for example R/I vehicle database 9, in which the institutional data is entered.

The preferred embodiment of the processor invention includes a receiving/investment database 9, as illustrated in Figure 3. While the following description refers to a specific individual database, format, records, fields, and indexing schemes, those skilled in the art will readily appreciate that such specifics are not critical to the present invention. Of course, such a database may be in the form of either hardware or software.

Referring to Figure 3, the R/I vehicle database 9 is depicted in detail. This database typically stores data relating to individual insureds whose policies, or portions of policies have been assigned to the R/I vehicle. The rows and columns of the database 9 represent records and fields of the database, respectively. Of course, other records and fields in this (or other) databases may be used as desired.

As shown in Figure 3, a record of the R/I vehicle database 9 typically includes the fields 9A-9Q. The field 9A, entitled "Participant Number" stores the number which identifies the participating institutions in the R/I vehicle. This is a unique number which is associated with each participant. The field 9B, entitled "Insureds Number" stores the number associated with each insured party. Each insured has a unique number associated with the R/I vehicle. The field 9C, entitled "Insured's Name" stores the name of the insured party. The field 9D, entitled "Date of Birth" stores the insured's date of birth. The field 9E, entitled "Sex" stores the gender of the insured. The field 9F, entitled "Smoking Status" stores the information identifying whether or not the insured is a smoker. The field 9G, entitled "Class" stores the classification of underwriting associated with that insured. The field 9H, entitled "Insurance Carrier" stores the name of the insurance company carrying the policy of that insured party. The field 9I, entitled "Policy Number" stores the carrier's unique number for the policy covering that insured party. The field 9J, entitled "Issue Date" stores the date the policy issued. The field 9K,

entitled "Assigned Death Benefit" stores the dollar amount that the participant has assigned from the insured's policy to the R/I vehicle. The field 9L, entitled "Issue Age" stores the age of the insured on the date the policy issued. The field 9M, entitled "Duration" stores the time that the policy has been in force, in years. The field 9N, entitled "Policy Owner" stores the participant associated with that insured party. The field 9O, entitled "Participation Units" stores the number of units that each participant has in the R/I vehicle. The field 9P, entitled "Allocation Percentage" stores the percentage that participant has allocated in the R/I vehicle. The field 9Q, entitled "Cumulative Allocation Percentage Per Owner" stores the running total as a percent of the allocation that each participant has in the R/I vehicle.

Once there are enough insureds enrolled in the vehicle (or determined to be enough if a pre-enrollment procedure is followed) the R/I vehicle administrator will be able to project the amount to be received by a participant within the predetermined period of time. Additional vehicles may be established, if the earlier vehicle has maximized the allowable number of participants. A vehicle may have maximized its number of participants for government regulatory reasons if, for example, 500 is reached.

Assuming the number of participants is not maximized in any one vehicle, depending upon the enrollment criteria and procedures, participants may be added or subtracted at predetermined intervals. It is anticipated that enrollment should occur once every three calendar months, although others practicing this invention may choose to set other enrollment dates. The trust will therefore function for three calendar months after each enrollment date (the enrollment period). Proceeds received during the enrollment period are proposed to be distributed within 30 days after the conclusion of the enrollment period. Proceeds received after

the conclusion of the enrollment period will be distributed to those trust participants who were trust members at the time the death claim was activated within 30 days of their receipt.

Distribution will proceed according to the following formula:

$$\mathbf{UP_j = NAR_j \times E(q_{x+t})}$$

$\mathbf{UP_j}$ is the number of participating units that an institution has, per life insured. This is the method by which an institution's level of ownership is determined in the R/I vehicle. This is, in turn, determined from the number of insureds in the R/I vehicle which are owned by the participating institutions. NAR represents the net amount at risk. It equals the amount of insurance that has been assigned to the pool of each insured. NAR_j is the amount to be recovered by the vehicle upon the occurrence of the contingent event. $E(q_{x+t})$ is the probability of occurrence of the contingent event, in this particular embodiment, the expected mortality of an insured, where a participant is age x at the inception of the plan, and the plan is in duration **t**. (There could be any number of factors that affect the probability of occurrence.) It is anticipated in the most likely cases that those factors will be age and duration, but they should not be viewed as limited to such. It is also expected that the probability will be affected by other factors, with a most likely situation being the gender of the participant.

There are many different ways to calculate $\mathbf{E(q_{x+t})}$ as known by those skilled in the statistical art, for example GAM 1983 Mortality Table, UP 1984 Mortality Table, and 1975-1980 Select and Ultimate Basic Mortality Table. It is contemplated herein that the 1975-1980 Select and Ultimate Basic Mortality Table will be used because it is generally the standard table used for these type of purposes. Of course, other methods may be used as well. With respect to the specific embodiment used for life insurance death benefits, whether to use one method

instead of another will be a function of the facts and circumstances as to the insurance underwriting criteria for each institution or R/I vehicle.

Total Participation Units for the R/I vehicle is defined as:

$$\mathbf{TUP = \sum UPj}$$

where j represents each participant in the R/I vehicle.

The allocation Percentage for Participant j is defined as:

$$\mathbf{Alloc\%_j = UP_j/TUP}$$

Each Participant j's share of the pool receipts equals the total divisible pool receipts for the period times $Alloc\%_j$.

If different underwriting criteria and determinations are made from one individual to another, the allocation to each participant may be adjusted accordingly.

The underwriting class as assigned by the insurance company will be provided to the trustee via the enrollment process. It will be used to determine the best table and most appropriate scaling factor as determined by the trustee or his/her consultant, for example, an actuary to use to determine the expected mortality rate for the individual for that policy year ($E[q_x]$).

The participation units for the life (UP_j) are determined by multiplying the policy death benefit assigned to the trust (NAR_j) by the ($E[q_x]$) factor.

When the participation units for all lives have been so determined, the total participation units (TUP) for the trust are determined by summing over all lives in the trust.

The allocation percentage for each life ($Alloc\%_j$) is then determined by dividing the participation units for that life by the total participation units.

The total allocation percentage for each participant is determined by summing the allocation percentages for all the policies in the trust that are under his/her/its ownership.

Having submitted all of the factors needed by the vehicle, preferably into a database by an entering means such as a keyboard or mouse or the like and accessed by a processor having sufficient RAM and ROM to process such data, an output may be generated and a statement made about the increase in a certainty of the receipt of funds based on the participants in the vehicle and the data regarding the insureds allocated to the vehicle. Such output will be typically to a CRT and a printer associated with the processor. Specifically, the allocation of death benefits that is received by the R/I vehicle and is to be distributed to the participants is made. It is contemplated that an expectation on the order of as low as 3% of the event occurring, for example in this case, death, can be made based on a minimum of a 100 lives in the R/I vehicle.

For a life insurance trust, a likely scenario would be as follows. All participating lives would undergo similar underwriting scrutiny (i.e. all fully underwritten or all guaranteed issue). $\mathbf{E(q_{x+t})}$ would be determined using a common life insurance mortality table reflecting participant's age at policy issue, sex, policy duration and applicable underwriting class (e.g. smoker, non-smoker, standard, substandard, etc.). It is anticipated that any table representative of the probabilities of contingent events could be used in this process, however for the life insurance application it would be likely to use a common table such as the 1975-80 Select & Ultimate Basic Mortality Tables, on a sex and smoking status distinct basis, as is well known in the art. $\mathbf{NAR_j}$ would most likely be equal to the Death Benefit to be received on Participant j's life if he were to die at the beginning of the collection period less the offset amount, a predefined amount, such as the cash value of the policy or possibly a different amount, such as

the sum of premiums paid to date into the policy. It could also be, for example, non assigned insured's death benefits. The offset amount would be defined prior to entry into the collection pool and would not change during participation in the pool.

It is contemplated here, that there should be a predetermined distribution date. For example, all proceeds received by the R/I vehicle before the distribution date will be collected by the pool and invested by the administrator as per a predetermined investment strategy. Such predetermined investment strategy is outside the scope of this invention. On the distribution date, the total proceeds received, plus any increase from investments are distributed according to the allocation formula.

An example using 6 participants in the present invention follows:

1. A unit investment trust the "Trust" has been established as a receipt/investment vehicle in order to implement the system.

2. 5 participant groups (P) have been enrolled with the following number of insureds:

P_1 = 25 insureds (UP_j 1-25)
P_2 = 55 insureds (UP_j 26-81)
P_3 = 35 insureds (UP_j 80-115)
P_4 = 35 insureds (UP_j 116-150)
P_5 = 40 insureds (UP_j 151-190)
Total = 190 insureds

10 more insureds are necessary in order to allow the trust to begin operation. These 10 insureds will come from participant 6.

P_6 = 10 insureds UP_j (191-200)

3. Participant Corporation (P_6) has obtained life insurance coverage (through direct purchase and/or by insured assignment) of ownership on the lives of 10 if its employees.

4. P_6 wishes to assess the ongoing and ultimate financial results pursuant to this transaction, but after a review of several mortality tables it was assumed that the probability of death for each of its only 10 insureds is too small to accurately predict the inflows of death proceeds that are to be received upon each insureds death. P_6 wishes to rectify this situation and at the same time achieve a predictable stream of death benefit inflows in as short a time period as possible.

5. In order to accomplish this goal, P_6 provides all required data needed by the R/I vehicle database to the R/I vehicle database and has assigned (through enrollment) its desired amount of proceeds to the trust. Other additional participating insured groups may also enroll at this time.

Sample calculations for life #1 (j=1 in formulae):

Life #1 underwriting class & general information: Male, Nonsmoker, Guaranteed Issue, Issue Age 60, Policy Duration 1

Using this information, the 1975-80 Basic Select & Ultimate Mortality Table sets forth the Male Nonsmoker Issue Age 60 expected mortality rate for the 1st policy duration. This is .00323.

The scaling factor table for this underwriting class, yields a value of .75 for Guaranteed Issue Nonsmokers in policy duration 1. By multiplying .00323 by .75, to get .00242 which is defined as $E[q_{60}]$.

Since this policy has an assigned Death Benefit (NAR_1) to the trust of 124,556, the participation units for this policy is calculated by multiplying 124,556 by .00242 which equals 301.74. This is defined as UP_1.

When this procedure has been repeated for all lives (j=1 to 200), a total number of participation units equal to 85,794.84 (TUP) is realized. By dividing the participation units of life #1 by the total participation units of the trust, we get life #1's allocation percentage ($Alloc\%_1$), which equals 301.74 / 85,794.84 = .35170.

Finally, the total allocation percentage is calculated for the policy owner, P1, by summing the participation units of each policy P1 owns. In this case, because P1 owns policies 1 through 25 which provides a total allocation percentage for P1 of 13.38713% of the trust.

6. Death proceeds are payable to the trust directly by the insurance carrier through the execution of proper insurance carrier death proceed benefit assignment forms.

7. Proceeds received by the trust from the insurance carrier are invested in a manner approved by the participants until the designated distribution date.

Life insurance underwriting class designations have been created in order to better assess the likelihood of mortality on an individual by individual basis in order to most efficiently determine the pricing for premium payment. Such pricing basis is in the form of the lowest price per each age (risks least likely to die) to the highest allowable price.

Underwriting Classes are determined on the basis of risk factors such as: age, health history, family health history, personal habits such as, smoking, drug uses, dangerous vocations or avocations, moral character, financial difficulty or other fact and circumstance items.

The frequency of future enrollment dates has been established as quarterly. At each enrollment period the number of insureds in each participating entity may be increased or decreased.

On each date of enrollment each participant ownership level (of the trust's net after expense proceeds available for distribution at designated time periods - as expressed as a percentage of the entire trust membership) is established.

The frequency of the distribution of any proceeds has been established as quarterly.

8. On the date of distribution the proceeds plus any interest accrued are distributed to the participants pursuant to the distribution formula. For example, the trust has 6 existing participants (P_{1-6}), as of the previous enrollment period on April 1. The participants have been accorded the following ownership levels (as expressed by percentage):

P^1 = 13.38713%
P_2 = 30.39487%
P_3 = 18.21456%
P_4 = 16.54696%
P_5 = 15.97268%
P_6 = 5.48381%
100%

EXAMPLE

One insured in Participant 6 age 44 dies on June 1 (Insured No. 195), and insurance proceeds in the amount of $183,910 are received by the trust. Trust assets of $184,676 ($183,910 insurance proceeds plus earned interest of 2/12 of interest @5% of $4,597, that is, $766) will be distributed to the trust participants on the scheduled distribution date of July 1 in the following manner:

Total Amount		% Ownership		Distribution
P_1 - $184,676.00	X	13.38713	=	$24,722.82
P_2 - $184,676.00	X	30.39487	=	$56,132.03
P_3 - $184,676.00	X	18.21456	=	$33,637.92
P_4 - $184,676.00	X	16.54696	=	$30,558.26
P_5 - $184,676.00	X	15.97268	=	$29,497.71
P_6 - $184,676.00	X	5.48381	=	$10,127.28
				$184,672.00

On July 1 the new enrollment to distribution period commences pursuant to updated ownership calculations that take into account possible new trust membership and decreased or increased insureds within each participant group.

Although the particular embodiments shown and described above will prove to be useful in many applications in the insurance and financial art to which the present invention pertains, further modifications of the present invention herein disclosed will occur to persons skilled in the art. All such modifications are deemed to be within the scope and spirit of the present invention defined by the appended claims.

CLAIMS

Claim:

1. A method for distributing proceeds from a financial vehicle to participants thereof, wherein the proceeds come from an insurance policy, comprising:

(a) enrolling a participant in the vehicle, wherein said participant owns at least one insurance policy, wherein said at least one insurance policy is based upon a predetermined statistical probability of an event occurrence, and wherein said statistical probability is based upon a predetermined criteria;

(b) assigning said policy to the vehicle;

(c) receiving and applying the proceeds from the policy to the vehicle upon the occurrences of the event; and

(d) distributing the proceeds from the vehicle to a participant based upon the relative statistical probability of the policies owned by the participant to other policies in the vehicle.

2. The method of Claim 1, wherein said vehicle is a trust.

3. The method of Claim 1, wherein said proceeds are death benefits.

4. The method of Claim 1, wherein said insurance policy is a life insurance policy.

5. The method of Claim 1, wherein said statistical probability of the event occurrence is greater than about 3% based upon a minimum of 100 event possibilities in the vehicle.

6. The method of Claim 1, wherein the event occurrence is certain.

7. The method of Claim 6, wherein said event occurrence is death.

8. A system for distributing proceeds from a financial vehicle to participants thereof, wherein the proceeds issue from an insurance policy, comprising:

(a) means for enrolling a participant is the vehicle, wherein said participant owns at least one of the insurance policies, wherein said at least one insurance policy is on a predetermined statistical probability of an event occurrence associated therewith, and wherein said statistical probability is based upon a predetermined criteria;

(b) means for assigning said policy to the vehicle;

(c) means for receiving and applying the proceeds from the policy to the vehicle upon the occurrences of the event; and

(d) means for distributing the proceeds from the vehicle to a participant based upon the relative statistical probability of the policy to the other policies in the vehicle.

9. The system of Claim 8, wherein said vehicle is a trust.

10. The system of Claim 8, wherein said proceeds are death benefits.

11. The system of Claim 8, wherein said insurance policy is a life insurance policy.

12. The system of Claim 8, wherein said statistical probability of the event occurrence is greater than about 3% based upon a minimum of 100 event possibilities in the vehicle.

13. The system of Claim 8, where the event occurrence is certain.

14. The system of Claim 13, wherein said event occurrence is death.

ABSTRACT

A system and method is described for creating a predictable flow of funds from an otherwise unpredictable source. An investment and receiving vehicle is established where participants pool their ownership of insurance policies so as to share in the proceeds from those policies.

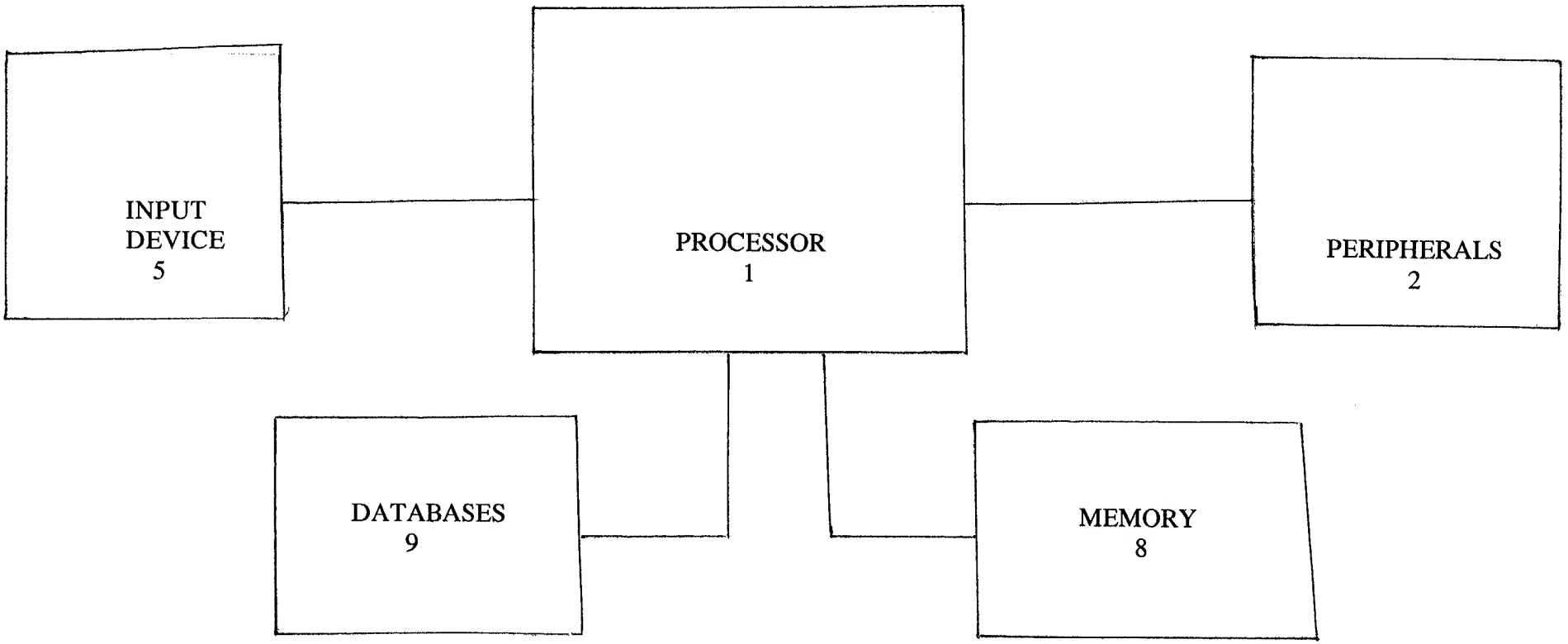

FIGURE 1

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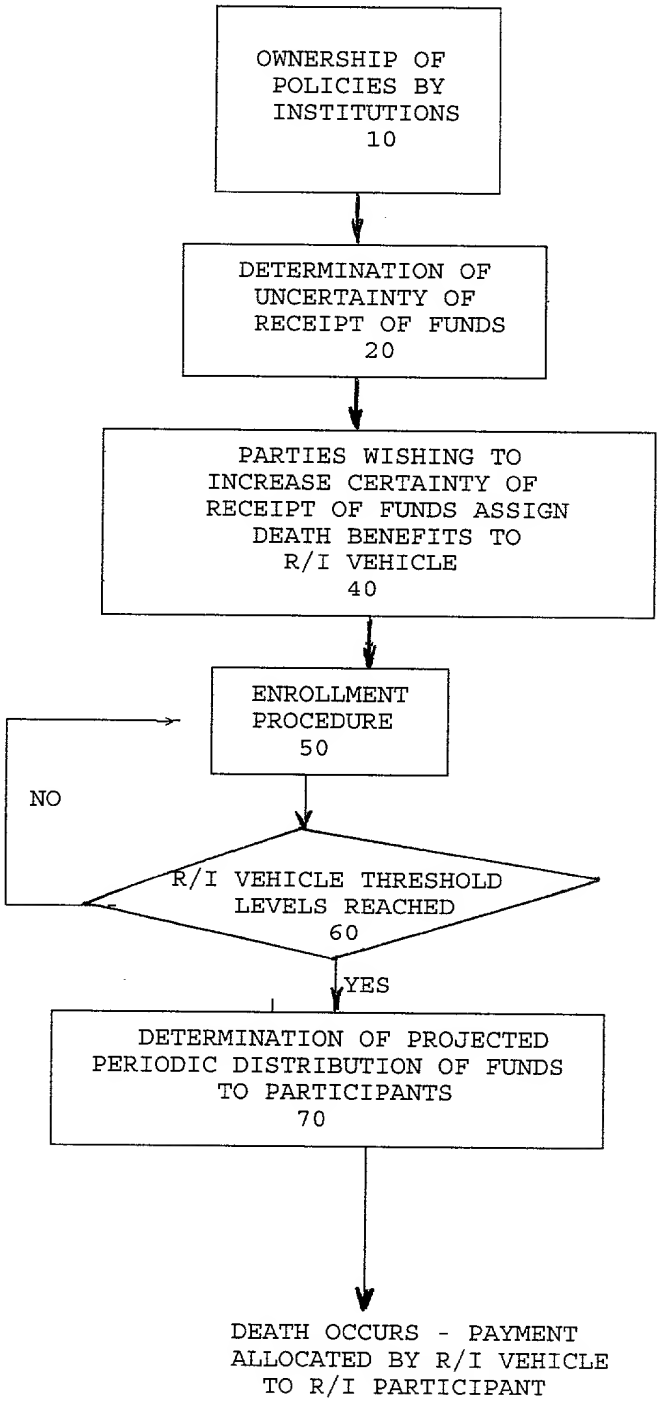
OWNERSHIP OF POLICIES BY INSTITUTIONS 10
DETERMINATION OF UNCERTAINTY OF RECEIPT OF FUNDS 20
PARTIES WISHING TO INCREASE CERTAINTY OF RECEIPT OF FUNDS ASSIGN DEATH BENEFITS TO R/I VEHICLE 40
ENROLLMENT PROCEDURE 50
NO
R/I VEHICLE THRESHOLD LEVELS REACHED 60
YES
DETERMINATION OF PROJECTED PERIODIC DISTRIBUTION OF FUNDS TO PARTICIPANTS 70
DEATH OCCURS - PAYMENT ALLOCATED BY R/I VEHICLE TO R/I PARTICIPANT

FIGURE 2

RECEIVING/INVESTMENT VEHICLE DATABASE

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q
PARTICI-PANT NO.	INSUREDS NO.	INSURED'S NAME	DOB	SEX	SMOKING 8 TANS	CLASS	INSURER CARRIER	POLICY NO.	ISSUE DATE	ASSIGNED DEATH BENEFIT	ISSUE AGE	DUR	POLICY OWNER	PARTICI -PANT UNITS	ALLOC %	CUM ALLOC % PER OWNER

FIGURE 3

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FIGURE 4

Insured	Name	DOB	Sex	Smoke	Class	Ins. Co.	Policy	Issue Date	Assigned	Issue Age	Dur	Policy	E[qx]	Participation Units	Allocation Percentage	Cumulative Allocation % Per Owner
1	John or Jane Doe	04/04/37	M	N	GI Nonsmoker	MONY	1	12/01/96	124,556	60	1	P1	0.00242	301.74	0.35170%	0.35170%
2	John or Jane Doe	08/08/54	M	N	GI Nonsmoker	MONY	2	12/01/96	306,551	42	1	P1	0.00069	211.52	0.24654%	0.59824%
3	John or Jane Doe	12/07/40	M	N	GI Nonsmoker	MONY	3	12/01/96	348,619	55	1	P1	0.00181	630.13	0.73446%	1.33270%
4	John or Jane Doe	05/27/30	F	N	GI Nonsmoker	MONY	4	12/01/96	129,873	67	1	P1	0.00212	274.68	0.32016%	1.65286%
5	John or Jane Doe	03/27/42	M	N	GI Nonsmoker	MONY	5	12/01/96	169,634	55	1	P1	0.00181	306.61	0.35738%	2.01024%
6	John or Jane Doe	10/25/45	M	Y	GI Smoker	MONY	6	12/01/96	180,231	51	1	P1	0.00297	535.29	0.62391%	2.63415%
7	John or Jane Doe	10/28/36	M	N	GI Nonsmoker	MONY	7	12/01/96	281,083	60	1	P1	0.00242	680.92	0.79366%	3.42782%
8	John or Jane Doe	01/12/38	M	N	GI Nonsmoker	MONY	8	12/01/96	305,225	59	1	P1	0.00233	709.65	0.82715%	4.25496%
9	John or Jane Doe	12/11/30	M	N	GI Nonsmoker	MONY	9	12/01/96	314,711	65	1	P1	0.00360	1,132.96	1.32055%	5.57551%
10	John or Jane Doe	11/16/45	F	N	GI Nonsmoker	MONY	10	12/01/96	242,991	51	1	P1	0.00086	209.58	0.24428%	5.81979%
11	John or Jane Doe	09/18/35	F	N	GI Nonsmoker	MONY	11	12/01/96	342,025	61	1	P1	0.00151	515.60	0.60097%	6.42076%
12	John or Jane Doe	06/24/39	M	N	GI Nonsmoker	MONY	12	12/01/96	310,032	57	1	P1	0.00212	655.72	0.76429%	7.18505%
13	John or Jane Doe	04/09/49	M	Y	GI Smoker	MONY	13	12/01/96	101,124	48	1	P1	0.00246	248.61	0.28978%	7.47482%
14	John or Jane Doe	02/11/51	M	Y	GI Smoker	MONY	14	12/01/96	238,902	46	1	P1	0.00211	504.56	0.58810%	8.06292%
15	John or Jane Doe	05/24/35	F	N	GI Nonsmoker	MONY	15	12/01/96	111,111	62	1	P1	0.00161	179.17	0.20883%	8.27175%
16	John or Jane Doe	08/02/47	M	N	GI Nonsmoker	MONY	16	12/01/96	328,190	49	1	P1	0.00120	393.83	0.45903%	8.73079%
17	John or Jane Doe	09/23/48	M	N	GI Nonsmoker	MONY	17	12/01/96	285,485	48	1	P1	0.00112	319.03	0.37185%	9.10264%
18	John or Jane Doe	06/27/35	M	N	GI Nonsmoker	MONY	18	12/01/96	280,467	61	1	P1	0.00253	708.88	0.82625%	9.92889%
19	John or Jane Doe	04/14/44	M	N	GI Nonsmoker	MONY	19	12/01/96	196,668	53	1	P1	0.00155	303.85	0.35416%	10.28305%
20	John or Jane Doe	12/01/48	M	N	GI Nonsmoker	MONY	20	12/01/96	284,250	48	1	P1	0.00112	317.65	0.37024%	10.65330%
21	John or Jane Doe	12/26/31	M	N	GI Nonsmoker	MONY	21	12/01/96	280,122	64	1	P1	0.00324	907.60	1.05787%	11.71116%
22	John or Jane Doe	06/05/42	M	N	GI Nonsmoker	MONY	22	12/01/96	159,181	54	1	P1	0.00167	266.23	0.31031%	12.02147%
23	John or Jane Doe	12/27/43	M	Y	GI Smoker	MONY	23	12/01/96	247,216	52	1	P1	0.00314	775.02	0.90334%	12.92482%
24	John or Jane Doe	12/14/47	M	N	GI Nonsmoker	MONY	24	12/01/96	100,636	48	1	P1	0.00112	112.46	0.13108%	13.05590%
25	John or Jane Doe	04/16/43	F	N	GI Nonsmoker	MONY	25	12/01/96	287,051	54	1	P1	0.00099	284.18	0.33123%	13.38713%
26	John or Jane Doe	02/06/50	M	N	GI Nonsmoker	MONY	26	12/01/96	100,275	47	1	P2	0.00104	104.54	0.12184%	0.12184%
27	John or Jane Doe	02/23/52	F	N	GI Nonsmoker	MONY	27	12/01/96	207,255	45	1	P2	0.00065	133.68	0.15581%	0.27766%
28	John or Jane Doe	05/22/44	M	Y	GI Smoker	MONY	28	12/01/96	225,507	53	1	P2	0.00340	766.50	0.89341%	1.17107%
29	John or Jane Doe	03/14/36	M	N	GI Nonsmoker	MONY	29	12/01/96	235,689	61	1	P2	0.00253	595.70	0.69434%	1.86540%
30	John or Jane Doe	10/07/51	M	N	GI Nonsmoker	MONY	30	12/01/96	114,937	45	1	P2	0.00088	100.86	0.11756%	1.98296%
31	John or Jane Doe	09/26/36	M	N	GI Nonsmoker	MONY	31	12/01/96	132,006	60	1	P2	0.00242	319.78	0.37273%	2.35569%
32	John or Jane Doe	12/07/50	M	Y	GI Smoker	MONY	32	12/01/96	260,165	45	1	P2	0.00193	502.25	0.58541%	2.94110%
33	John or Jane Doe	01/24/35	M	N	GI Nonsmoker	MONY	33	12/01/96	239,330	62	1	P2	0.00263	628.24	0.73226%	3.67336%
34	John or Jane Doe	01/24/36	M	N	GI Nonsmoker	MONY	34	12/01/96	307,553	61	1	P2	0.00253	777.34	0.90605%	4.57940%

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Insured	Name	DOB	Sex	Smoke	Class	Ins. Co.	Policy	Issue Date	Assigned	Issue Age	Dur	Policy	E[qx]	Participation Units	Allocation Percentage	Cumulative Allocation % Per Owner
35	John or Jane Doe	05/28/50	F	N	GI Nonsmoker	MONY	35	12/01/96	185,726	47	1	P2	0.00072	133.72	0.15586%	4.73526%
36	John or Jane Doe	01/06/33	M	N	GI Nonsmoker	MONY	36	12/01/96	135,408	64	1	P2	0.00324	438.72	0.51136%	5.24663%
37	John or Jane Doe	05/20/43	M	Y	GI Smoker	MONY	37	12/01/96	195,235	54	1	P2	0.00368	718.37	0.83731%	6.08393%
38	John or Jane Doe	12/16/47	F	Y	GI Smoker	MONY	38	12/01/96	197,867	48	1	P2	0.00165	326.48	0.38054%	6.46447%
39	John or Jane Doe	03/18/36	F	Y	GI Smoker	MONY	39	12/01/96	188,329	61	1	P2	0.00332	624.59	0.72801%	7.19248%
40	John or Jane Doe	01/23/35	M	N	GI Nonsmoker	MONY	40	12/01/96	131,028	62	1	P2	0.00263	343.95	0.40090%	7.59337%
41	John or Jane Doe	03/24/39	M	N	GI Nonsmoker	MONY	41	12/01/96	332,434	58	1	P2	0.00222	738.00	0.86020%	8.45357%
42	John or Jane Doe	05/27/47	M	N	GI Nonsmoker	MONY	42	12/01/96	113,764	50	1	P2	0.00128	145.05	0.16907%	8.62264%
43	John or Jane Doe	02/26/53	M	N	GI Nonsmoker	MONY	43	12/01/96	168,442	44	1	P2	0.00081	136.44	0.15903%	8.78166%
44	John or Jane Doe	05/28/42	M	N	GI Nonsmoker	MONY	44	12/01/96	145,203	55	1	P2	0.00181	262.45	0.30591%	9.08757%
45	John or Jane Doe	05/19/53	M	N	GI Nonsmoker	MONY	45	12/01/96	317,242	44	1	P2	0.00081	256.97	0.29951%	9.38709%
46	John or Jane Doe	04/07/48	M	N	GI Nonsmoker	MONY	46	12/01/96	272,331	49	1	P2	0.00120	326.80	0.38091%	9.76799%
47	John or Jane Doe	01/24/34	M	Y	GI Smoker	MONY	47	12/01/96	204,645	63	1	P2	0.00642	1,313.51	1.53099%	11.29898%
48	John or Jane Doe	04/28/51	F	N	GI Nonsmoker	MONY	48	12/01/96	114,017	46	1	P2	0.00068	77.82	0.09070%	11.38969%
49	John or Jane Doe	08/23/37	M	N	GI Nonsmoker	MONY	49	12/01/96	181,536	59	1	P2	0.00233	422.07	0.49195%	11.88164%
50	John or Jane Doe	08/08/43	M	N	GI Nonsmoker	MONY	50	12/01/96	212,245	53	1	P2	0.00155	327.92	0.38221%	12.26385%
51	John or Jane Doe	02/02/45	M	N	GI Nonsmoker	MONY	51	12/01/96	336,689	52	1	P2	0.00143	479.78	0.55922%	12.82307%
52	John or Jane Doe	02/15/34	M	N	GI Nonsmoker	MONY	52	12/01/96	127,041	63	1	P2	0.00292	370.64	0.43201%	13.25508%
53	John or Jane Doe	11/18/35	M	N	GI Nonsmoker	MONY	53	12/01/96	313,769	61	1	P2	0.00253	793.05	0.92436%	14.17944%
54	John or Jane Doe	04/08/44	M	N	GI Nonsmoker	MONY	54	12/01/96	153,443	53	1	P2	0.00155	237.07	0.27632%	14.45576%
55	John or Jane Doe	06/07/40	F	N	GI Nonsmoker	MONY	55	12/01/96	307,389	56	1	P2	0.00109	334.29	0.38963%	14.84539%
56	John or Jane Doe	07/24/38	F	N	GI Nonsmoker	MONY	56	12/01/96	183,305	58	1	P2	0.00122	224.09	0.26119%	15.10659%
57	John or Jane Doe	08/04/38	M	N	GI Nonsmoker	MONY	57	12/01/96	202,616	58	1	P2	0.00222	449.81	0.52428%	15.63087%
58	John or Jane Doe	11/24/32	M	N	GI Nonsmoker	MONY	58	12/01/96	259,696	64	1	P2	0.00324	841.42	0.98073%	16.61160%
59	John or Jane Doe	04/25/31	M	N	GI Nonsmoker	MONY	59	12/01/96	346,896	66	1	P2	0.00399	1,384.12	1.61328%	18.22488%
60	John or Jane Doe	03/20/42	M	N	GI Nonsmoker	MONY	60	12/01/96	176,056	55	1	P2	0.00181	318.22	0.37091%	18.59579%
61	John or Jane Doe	11/01/42	M	N	GI Nonsmoker	MONY	61	12/01/96	110,105	54	1	P2	0.00167	184.15	0.21464%	18.81043%
62	John or Jane Doe	01/23/39	M	N	GI Nonsmoker	MONY	62	12/01/96	173,059	58	1	P2	0.00222	384.19	0.44780%	19.25824%
63	John or Jane Doe	06/12/50	M	N	GI Nonsmoker	MONY	63	12/01/96	236,380	46	1	P2	0.00096	226.92	0.26450%	19.52273%
64	John or Jane Doe	05/05/36	F	N	GI Nonsmoker	MONY	64	12/01/96	222,307	61	1	P2	0.00151	335.13	0.39062%	19.91335%
65	John or Jane Doe	03/06/51	M	N	GI Nonsmoker	MONY	65	12/01/96	206,748	46	1	P2	0.00096	198.48	0.23134%	20.14469%
66	John or Jane Doe	09/06/48	M	N	GI Nonsmoker	MONY	66	12/01/96	197,369	48	1	P2	0.00112	220.56	0.25708%	20.40177%
67	John or Jane Doe	12/24/51	M	Y	GI Smoker	MONY	67	12/01/96	315,812	44	1	P2	0.00178	562.78	0.65596%	21.05772%
68	John or Jane Doe	10/22/37	M	N	GI Nonsmoker	MONY	68	12/01/96	241,415	59	1	P2	0.00233	561.29	0.65422%	21.71195%
69	John or Jane Doe	11/12/35	M	Y	GI Smoker	MONY	69	12/01/96	104,040	61	1	P2	0.00556	578.51	0.67430%	22.38625%
70	John or Jane Doe	08/15/43	M	N	GI Nonsmoker	MONY	70	12/01/96	249,684	53	1	P2	0.00155	385.76	0.44963%	22.83588%
71	John or Jane Doe	04/09/40	M	N	GI Nonsmoker	MONY	71	12/01/96	334,901	57	1	P2	0.00212	708.32	0.82559%	23.66147%

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Insured	Name	DOB	Sex	Smoke	Class	Ins. Co.	Policy	Issue Date	Assigned	Issue Age	Dur	Policy	E[qx]	Participation Units	Allocation Percentage	Cumulative Allocation % Per Owner
72	John or Jane Doe	09/17/49	F	N	GI Nonsmoker	MONY	72	12/01/96	329,975	47	1	P2	0.00072	237.58	0.27692%	23.93839%
73	John or Jane Doe	09/15/32	M	N	GI Nonsmoker	MONY	73	12/01/96	286,574	64	1	P2	0.00324	928.50	1.08223%	25.02062%
74	John or Jane Doe	06/23/52	F	N	GI Nonsmoker	MONY	74	12/01/96	338,925	44	1	P2	0.00061	205.90	0.23999%	25.26061%
75	John or Jane Doe	02/12/32	M	N	GI Nonsmoker	MONY	75	12/01/96	207,720	65	1	P2	0.00360	747.79	0.87160%	26.13222%
76	John or Jane Doe	03/22/30	M	N	GI Nonsmoker	MONY	76	12/01/96	293,719	67	1	P2	0.00443	1,301.91	1.51747%	27.64968%
77	John or Jane Doe	08/16/36	M	N	GI Nonsmoker	MONY	77	12/01/96	178,572	60	1	P2	0.00242	432.59	0.50422%	28.15390%
78	John or Jane Doe	05/26/51	M	Y	GI Smoker	MONY	78	12/01/96	157,485	46	1	P2	0.00211	332.61	0.38768%	28.54158%
79	John or Jane Doe	02/12/33	F	Y	GI Smoker	MONY	79	12/01/96	235,829	64	1	P2	0.00396	933.88	1.08851%	29.63008%
80	John or Jane Doe	10/26/45	M	Y	GI Smoker	MONY	80	12/01/96	220,924	51	1	P2	0.00297	656.14	0.76478%	30.39487%
81	John or Jane Doe	04/28/45	M	N	GI Nonsmoker	MONY	81	12/01/96	215,446	52	1	P3	0.00143	307.01	0.35784%	0.35784%
82	John or Jane Doe	12/12/52	M	N	GI Nonsmoker	MONY	82	12/01/96	141,516	43	1	P3	0.00074	105.08	0.12247%	0.48032%
83	John or Jane Doe	04/24/33	M	N	GI Nonsmoker	MONY	83	12/01/96	105,843	64	1	P3	0.00324	342.93	0.39971%	0.88003%
84	John or Jane Doe	02/15/39	M	N	GI Nonsmoker	MONY	84	12/01/96	294,566	58	1	P3	0.00222	653.94	0.76221%	1.64224%
85	John or Jane Doe	05/08/53	M	N	GI Nonsmoker	MONY	85	12/01/96	157,505	44	1	P3	0.00081	127.58	0.14870%	1.79094%
86	John or Jane Doe	06/08/53	M	N	GI Nonsmoker	MONY	86	12/01/96	320,316	43	1	P3	0.00074	237.83	0.27721%	2.06815%
87	John or Jane Doe	12/04/51	F	N	GI Nonsmoker	MONY	87	12/01/96	198,683	44	1	P3	0.00061	120.70	0.14068%	2.20884%
88	John or Jane Doe	06/03/46	M	N	GI Nonsmoker	MONY	88	12/01/96	153,509	50	1	P3	0.00128	195.72	0.22813%	2.43697%
89	John or Jane Doe	01/11/30	M	N	GI Nonsmoker	MONY	89	12/01/96	160,179	67	1	P3	0.00443	709.99	0.82755%	3.26451%
90	John or Jane Doe	02/21/48	M	N	GI Nonsmoker	MONY	90	12/01/96	278,419	49	1	P3	0.00120	334.10	0.38942%	3.65394%
91	John or Jane Doe	02/17/41	M	N	GI Nonsmoker	MONY	91	12/01/96	281,751	56	1	P3	0.00196	551.53	0.64284%	4.29678%
92	John or Jane Doe	06/25/34	M	N	GI Nonsmoker	MONY	92	12/01/96	273,835	62	1	P3	0.00263	718.82	0.83783%	5.13461%
93	John or Jane Doe	09/27/44	F	N	GI Nonsmoker	MONY	93	12/01/96	230,018	52	1	P3	0.00090	207.02	0.24129%	5.37590%
94	John or Jane Doe	01/17/51	M	N	GI Nonsmoker	MONY	94	12/01/96	308,124	46	1	P3	0.00096	295.80	0.34477%	5.72068%
95	John or Jane Doe	10/27/36	M	N	GI Nonsmoker	MONY	95	12/01/96	275,842	60	1	P3	0.00242	668.23	0.77887%	6.49955%
96	John or Jane Doe	11/18/51	M	N	GI Nonsmoker	MONY	96	12/01/96	213,718	45	1	P3	0.00088	187.54	0.21859%	6.71813%
97	John or Jane Doe	01/07/34	M	N	GI Nonsmoker	MONY	97	12/01/96	105,037	63	1	P3	0.00292	306.45	0.35718%	7.07532%
98	John or Jane Doe	02/20/51	M	N	GI Nonsmoker	MONY	98	12/01/96	244,195	46	1	P3	0.00096	234.43	0.27324%	7.34856%
99	John or Jane Doe	09/13/32	M	N	GI Nonsmoker	MONY	99	12/01/96	333,980	64	1	P3	0.00324	1,082.10	1.26126%	8.60982%
100	John or Jane Doe	06/26/42	M	N	GI Nonsmoker	MONY	100	12/01/96	100,108	54	1	P3	0.00167	167.43	0.19515%	8.80497%
101	John or Jane Doe	02/20/42	F	N	GI Nonsmoker	MONY	101	12/01/96	149,837	55	1	P3	0.00104	155.08	0.18076%	8.98573%
102	John or Jane Doe	02/02/30	M	Y	GI Smoker	MONY	102	12/01/96	193,793	67	1	P3	0.00975	1,889.77	2.20266%	11.18839%
103	John or Jane Doe	10/02/44	M	Y	GI Smoker	MONY	103	12/01/96	222,650	52	1	P3	0.00314	698.01	0.81358%	12.00197%
104	John or Jane Doe	03/07/38	M	N	GI Nonsmoker	MONY	104	12/01/96	214,827	59	1	P3	0.00233	499.47	0.58217%	12.58414%
105	John or Jane Doe	01/25/35	M	N	GI Nonsmoker	MONY	105	12/01/96	231,164	62	1	P3	0.00263	606.81	0.70728%	13.29142%
106	John or Jane Doe	12/26/52	M	N	GI Nonsmoker	MONY	106	12/01/96	308,300	43	1	P3	0.00074	228.91	0.26681%	13.55823%
107	John or Jane Doe	09/21/41	M	Y	GI Smoker	MONY	107	12/01/96	235,675	55	1	P3	0.00398	937.16	1.09233%	14.65056%
108	John or Jane Doe	03/03/42	M	N	GI Nonsmoker	MONY	108	12/01/96	128,087	55	1	P3	0.00181	231.52	0.26985%	14.92041%

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Insured	Name	DOB	Sex	Smoke	Class	Ins. Co.	Policy	Issue Date	Assigned	Issue Age	Dur	Policy	E[qx]	Participation Units	Allocation Percentage	Cumulative Allocation % Per Owner
109	John or Jane Doe	02/21/31	M	N	GI Nonsmoker	MONY	109	12/01/96	153,923	66	1	P3	0.00399	614.15	0.71584%	15.63625%
110	John or Jane Doe	06/27/32	M	N	GI Nonsmoker	MONY	110	12/01/96	126,300	64	1	P3	0.00324	409.21	0.47697%	16.11321%
111	John or Jane Doe	03/06/49	F	N	GI Nonsmoker	MONY	111	12/01/96	110,387	48	1	P3	0.00075	82.79	0.09650%	16.20971%
112	John or Jane Doe	04/21/46	M	Y	GI Smoker	MONY	112	12/01/96	172,647	51	1	P3	0.00297	512.76	0.59766%	16.80737%
113	John or Jane Doe	11/10/39	M	N	GI Nonsmoker	MONY	113	12/01/96	323,870	57	1	P3	0.00212	684.99	0.79840%	17.60577%
114	John or Jane Doe	01/05/51	M	N	GI Nonsmoker	MONY	114	12/01/96	174,188	46	1	P3	0.00096	167.22	0.19491%	17.80068%
115	John or Jane Doe	02/05/43	M	N	GI Nonsmoker	MONY	115	12/01/96	212,308	54	1	P3	0.00167	355.09	0.41388%	18.21456%
116	John or Jane Doe	11/17/53	F	N	GI Nonsmoker	MONY	116	12/01/96	150,737	43	1	P4	0.00057	85.92	0.10015%	0.10015%
117	John or Jane Doe	06/03/53	M	N	GI Nonsmoker	MONY	117	12/01/96	327,219	43	1	P4	0.00074	242.96	0.28319%	0.38333%
118	John or Jane Doe	12/04/35	M	N	GI Nonsmoker	MONY	118	12/01/96	207,657	60	1	P4	0.00242	503.05	0.58634%	0.96967%
119	John or Jane Doe	01/17/52	M	N	GI Nonsmoker	MONY	119	12/01/96	234,766	45	1	P4	0.00088	206.01	0.24012%	1.20979%
120	John or Jane Doe	04/19/45	M	N	GI Nonsmoker	MONY	120	12/01/96	109,494	52	1	P4	0.00143	156.03	0.18186%	1.39165%
121	John or Jane Doe	04/21/41	M	N	GI Nonsmoker	MONY	121	12/01/96	162,661	56	1	P4	0.00196	318.41	0.37113%	1.76278%
122	John or Jane Doe	09/11/49	M	N	GI Nonsmoker	MONY	122	12/01/96	235,742	47	1	P4	0.00104	245.76	0.28645%	2.04923%
123	John or Jane Doe	09/27/30	M	N	GI Nonsmoker	MONY	123	12/01/96	250,291	66	1	P4	0.00399	998.66	1.16401%	3.21324%
124	John or Jane Doe	09/24/38	F	Y	GI Smoker	MONY	124	12/01/96	278,520	58	1	P4	0.00269	749.08	0.87311%	4.08635%
125	John or Jane Doe	07/20/37	M	N	GI Nonsmoker	MONY	125	12/01/96	234,436	59	1	P4	0.00233	545.06	0.63531%	4.72166%
126	John or Jane Doe	10/01/38	M	N	GI Nonsmoker	MONY	126	12/01/96	306,179	58	1	P4	0.00222	679.72	0.79226%	5.51392%
127	John or Jane Doe	10/24/45	F	Y	GI Smoker	MONY	127	12/01/96	334,902	51	1	P4	0.00190	635.48	0.74069%	6.25461%
128	John or Jane Doe	01/20/49	M	N	GI Nonsmoker	MONY	128	12/01/96	334,200	48	1	P4	0.00112	373.47	0.43530%	6.68992%
129	John or Jane Doe	03/15/45	M	N	GI Nonsmoker	MONY	129	12/01/96	284,095	52	1	P4	0.00143	404.84	0.47186%	7.16178%
130	John or Jane Doe	02/27/42	M	N	GI Nonsmoker	MONY	130	12/01/96	176,898	55	1	P4	0.00181	319.74	0.37268%	7.53446%
131	John or Jane Doe	06/22/39	M	N	GI Nonsmoker	MONY	131	12/01/96	264,129	57	1	P4	0.00212	558.63	0.65113%	8.18559%
132	John or Jane Doe	06/19/51	M	Y	GI Smoker	MONY	132	12/01/96	104,835	45	1	P4	0.00193	202.38	0.23589%	8.42148%
133	John or Jane Doe	08/28/35	M	N	GI Nonsmoker	MONY	133	12/01/96	111,793	61	1	P4	0.00253	282.56	0.32934%	8.75082%
134	John or Jane Doe	10/08/36	M	N	GI Nonsmoker	MONY	134	12/01/96	299,816	60	1	P4	0.00242	726.30	0.84656%	9.59738%
135	John or Jane Doe	02/12/45	F	N	GI Nonsmoker	MONY	135	12/01/96	153,060	52	1	P4	0.00090	137.75	0.16056%	9.75794%
136	John or Jane Doe	08/06/34	M	N	GI Nonsmoker	MONY	136	12/01/96	121,159	62	1	P4	0.00263	318.04	0.37070%	10.12864%
137	John or Jane Doe	02/26/47	M	N	GI Nonsmoker	MONY	137	12/01/96	215,937	50	1	P4	0.00128	275.32	0.32090%	10.44955%
138	John or Jane Doe	09/14/45	M	N	GI Nonsmoker	MONY	138	12/01/96	136,763	51	1	P4	0.00135	184.63	0.21520%	10.66475%
139	John or Jane Doe	06/06/44	M	Y	GI Smoker	MONY	139	12/01/96	210,830	52	1	P4	0.00314	660.95	0.77039%	11.43514%
140	John or Jane Doe	11/08/54	M	N	GI Nonsmoker	MONY	140	12/01/96	308,111	42	1	P4	0.00069	212.60	0.24780%	11.68293%
141	John or Jane Doe	01/15/32	M	N	GI Nonsmoker	MONY	141	12/01/96	317,801	65	1	P4	0.00360	1,144.08	1.33351%	13.01644%
142	John or Jane Doe	02/17/35	F	N	GI Nonsmoker	MONY	142	12/01/96	176,234	62	1	P4	0.00161	284.18	0.33123%	13.34767%
143	John or Jane Doe	02/11/37	M	N	GI Nonsmoker	MONY	143	12/01/96	104,362	60	1	P4	0.00242	252.82	0.29468%	13.64235%
144	John or Jane Doe	12/27/31	M	N	GI Nonsmoker	MONY	144	12/01/96	156,389	64	1	P4	0.00324	506.70	0.59060%	14.23294%
145	John or Jane Doe	03/22/43	M	N	GI Nonsmoker	MONY	145	12/01/96	315,276	54	1	P4	0.00167	527.30	0.61460%	14.84755%

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Insured	Name	DOB	Sex	Smoke	Class	Ins. Co.	Policy	Issue Date	Assigned	Issue Age	Dur	Policy	E[qx]	Participation Units	Allocation Percentage	Cumulative Allocation % Per Owner
146	John or Jane Doe	10/01/33	M	N	GI Nonsmoker	MONY	146	12/01/96	227,017	63	1	P4	0.00292	662.32	0.77198%	15.61953%
147	John or Jane Doe	11/13/52	M	Y	GI Smoker	MONY	147	12/01/96	109,848	44	1	P4	0.00178	195.75	0.22816%	15.84769%
148	John or Jane Doe	11/20/52	M	N	GI Nonsmoker	MONY	148	12/01/96	111,889	44	1	P4	0.00081	90.63	0.10564%	15.95333%
149	John or Jane Doe	07/24/39	F	N	GI Nonsmoker	MONY	149	12/01/96	165,590	57	1	P4	0.00113	187.53	0.21858%	16.17191%
150	John or Jane Doe	09/08/43	M	N	GI Nonsmoker	MONY	150	12/01/96	208,267	53	1	P4	0.00155	321.77	0.37505%	16.54696%
151	John or Jane Doe	03/13/36	M	N	GI Nonsmoker	MONY	151	12/01/96	228,940	61	1	P5	0.00253	578.65	0.67445%	0.67445%
152	John or Jane Doe	04/01/43	M	N	GI Nonsmoker	MONY	152	12/01/96	182,297	54	1	P5	0.00167	304.89	0.35537%	1.02983%
153	John or Jane Doe	07/18/34	M	N	GI Nonsmoker	MONY	153	12/01/96	264,844	62	1	P5	0.00263	695.22	0.81032%	1.84015%
154	John or Jane Doe	01/17/35	M	N	GI Nonsmoker	MONY	154	12/01/96	132,245	62	1	P5	0.00263	347.14	0.40462%	2.24477%
155	John or Jane Doe	06/23/44	M	N	GI Nonsmoker	MONY	155	12/01/96	286,740	52	1	P5	0.00143	408.60	0.47626%	2.72103%
156	John or Jane Doe	06/25/49	M	N	GI Nonsmoker	MONY	156	12/01/96	135,760	47	1	P5	0.00104	141.53	0.16496%	2.88599%
157	John or Jane Doe	04/02/38	M	N	GI Nonsmoker	MONY	157	12/01/96	117,460	59	1	P5	0.00233	273.09	0.31831%	3.20430%
158	John or Jane Doe	10/18/41	F	N	GI Nonsmoker	MONY	158	12/01/96	289,461	55	1	P5	0.00104	299.59	0.34920%	3.55350%
159	John or Jane Doe	07/07/30	F	N	GI Nonsmoker	MONY	159	12/01/96	119,042	66	1	P5	0.00200	238.38	0.27785%	3.83135%
160	John or Jane Doe	02/04/42	M	N	GI Nonsmoker	MONY	160	12/01/96	123,830	55	1	P5	0.00181	223.82	0.26088%	4.09223%
161	John or Jane Doe	09/08/40	M	N	GI Nonsmoker	MONY	161	12/01/96	100,135	56	1	P5	0.00196	196.01	0.22847%	4.32070%
162	John or Jane Doe	10/06/35	F	N	GI Nonsmoker	MONY	162	12/01/96	108,497	61	1	P5	0.00151	163.56	0.19064%	4.51134%
163	John or Jane Doe	05/22/39	M	N	GI Nonsmoker	MONY	163	12/01/96	150,098	58	1	P5	0.00222	333.22	0.38839%	4.89973%
164	John or Jane Doe	06/11/32	M	N	GI Nonsmoker	MONY	164	12/01/96	344,754	64	1	P5	0.00324	1,117.00	1.30195%	6.20167%
165	John or Jane Doe	11/05/44	M	N	GI Nonsmoker	MONY	165	12/01/96	176,483	52	1	P5	0.00143	251.49	0.29313%	6.49480%
166	John or Jane Doe	06/04/46	F	Y	GI Smoker	MONY	166	12/01/96	288,729	50	1	P5	0.00182	524.04	0.61081%	7.10561%
167	John or Jane Doe	10/20/50	M	N	GI Nonsmoker	MONY	167	12/01/96	301,935	46	1	P5	0.00096	289.86	0.33785%	7.44346%
168	John or Jane Doe	10/11/47	M	N	GI Nonsmoker	MONY	168	12/01/96	261,886	49	1	P5	0.00120	314.26	0.36630%	7.80976%
169	John or Jane Doe	09/10/45	M	N	GI Nonsmoker	MONY	169	12/01/96	155,387	51	1	P5	0.00135	209.77	0.24450%	8.05426%
170	John or Jane Doe	05/12/54	F	N	GI Nonsmoker	MONY	170	12/01/96	230,139	43	1	P5	0.00057	131.18	0.15290%	8.20716%
171	John or Jane Doe	06/13/45	M	N	GI Nonsmoker	MONY	171	12/01/96	336,120	51	1	P5	0.00135	453.76	0.52889%	8.73605%
172	John or Jane Doe	04/27/44	M	N	GI Nonsmoker	MONY	172	12/01/96	307,888	53	1	P5	0.00155	475.69	0.55445%	9.29050%
173	John or Jane Doe	06/24/50	M	Y	GI Smoker	MONY	173	12/01/96	309,424	46	1	P5	0.00211	653.50	0.76170%	10.05220%
174	John or Jane Doe	04/03/32	M	N	GI Nonsmoker	MONY	174	12/01/96	132,496	65	1	P5	0.00360	476.99	0.55596%	10.60816%
175	John or Jane Doe	05/10/50	M	N	GI Nonsmoker	MONY	175	12/01/96	255,439	47	1	P5	0.00104	266.30	0.31039%	10.91855%
176	John or Jane Doe	11/21/43	M	N	GI Nonsmoker	MONY	176	12/01/96	304,699	53	1	P5	0.00155	470.76	0.54870%	11.46725%
177	John or Jane Doe	08/13/52	F	N	GI Nonsmoker	MONY	177	12/01/96	215,717	44	1	P5	0.00061	131.05	0.15275%	11.62000%
178	John or Jane Doe	09/16/38	M	N	GI Nonsmoker	MONY	178	12/01/96	201,298	58	1	P5	0.00222	446.88	0.52087%	12.14087%
179	John or Jane Doe	02/28/43	M	N	GI Nonsmoker	MONY	179	12/01/96	106,011	54	1	P5	0.00167	177.30	0.20666%	12.34753%
180	John or Jane Doe	06/14/40	M	N	GI Nonsmoker	MONY	180	12/01/96	117,271	56	1	P5	0.00196	229.56	0.26757%	12.61510%
181	John or Jane Doe	03/01/54	M	N	GI Nonsmoker	MONY	181	12/01/96	115,403	43	1	P5	0.00074	85.69	0.09987%	12.71497%
182	John or Jane Doe	10/22/47	M	N	GI Nonsmoker	MONY	182	12/01/96	219,451	49	1	P5	0.00120	263.34	0.30694%	13.02191%

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Insured	Name	DOB	Sex	Smoke	Class	Ins. Co.	Policy	Issue Date	Assigned	Issue Age	Dur	Policy	E[qx]	Participation Units	Allocation Percentage	Cumulative Allocation % Per Owner
183	John or Jane Doe	08/21/48	M	Y	GI Smoker	MONY	183	12/01/96	207,163	48	1	P5	0.00246	509.31	0.59364%	13.61555%
184	John or Jane Doe	09/25/37	F	N	GI Nonsmoker	MONY	184	12/01/96	181,957	59	1	P5	0.00131	238.82	0.27836%	13.89391%
185	John or Jane Doe	06/25/44	M	N	GI Nonsmoker	MONY	185	12/01/96	294,076	52	1	P5	0.00143	419.06	0.48844%	14.38235%
186	John or Jane Doe	01/19/48	M	N	GI Nonsmoker	MONY	186	12/01/96	171,971	49	1	P5	0.00120	206.37	0.24053%	14.62289%
187	John or Jane Doe	10/13/51	M	N	GI Nonsmoker	MONY	187	12/01/96	203,725	45	1	P5	0.00088	178.77	0.20837%	14.83126%
188	John or Jane Doe	05/24/35	M	N	GI Nonsmoker	MONY	188	12/01/96	141,342	62	1	P5	0.00263	371.02	0.43245%	15.26371%
189	John or Jane Doe	10/03/50	M	N	GI Nonsmoker	MONY	189	12/01/96	178,026	46	1	P5	0.00096	170.90	0.19920%	15.46291%
190	John or Jane Doe	08/02/30	F	N	GI Nonsmoker	MONY	190	12/01/96	218,404	66	1	P5	0.00200	437.35	0.50977%	15.97268%
191	John or Jane Doe	12/12/39	M	N	GI Nonsmoker	MONY	191	06/01/97	101,090	58	1	P6	0.00222	224.42	0.26158%	0.26158%
192	John or Jane Doe	11/05/47	M	N	GI Nonsmoker	MONY	192	06/01/97	161,239	49	1	P6	0.00120	193.49	0.22552%	0.48710%
193	John or Jane Doe	07/23/54	M	N	GI Nonsmoker	MONY	193	06/01/97	339,852	42	1	P6	0.00069	234.50	0.27332%	0.76042%
194	John or Jane Doe	06/23/30	M	Y	GI Smoker	MONY	194	06/01/97	288,260	66	1	P6	0.00878	2,530.35	2.94930%	3.70972%
195	John or Jane Doe	11/21/52	F	N	GI Nonsmoker	MONY	195	06/01/97	183,910	44	1	P6	0.00061	111.73	0.13022%	3.83995%
196	John or Jane Doe	02/23/49	M	Y	GI Smoker	MONY	196	06/01/97	113,865	48	1	P6	0.00246	279.94	0.32629%	4.16623%
197	John or Jane Doe	02/20/40	M	N	GI Nonsmoker	MONY	197	06/01/97	123,865	57	1	P6	0.00212	261.97	0.30535%	4.47158%
198	John or Jane Doe	07/23/50	M	N	GI Nonsmoker	MONY	198	06/01/97	182,888	46	1	P6	0.00096	175.57	0.20464%	4.67623%
199	John or Jane Doe	12/14/37	M	N	GI Nonsmoker	MONY	199	06/01/97	195,087	60	1	P6	0.00242	472.60	0.55085%	5.22707%
200	John or Jane Doe	11/18/49	M	N	GI Nonsmoker	MONY	200	06/01/97	211,290	47	1	P6	0.00104	220.27	0.25674%	5.48381%
														85,794.84		

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Docket No. 4713-24

APPLICATION FOR UNITED STATES LETTERS PATENT
DECLARATION AND POWER OF ATTORNEY

As the below-named sole inventor, I hereby declare that:

My residence, post office address and citizenship is stated below next to my name.

I believe I am the original, first inventor of the subject matter which is claimed and for which a patent is sought on the invention entitled: **SYSTEM AND METHOD FOR ASSURING PREDICTABLE GAINS**, the specification of which:

(check one) (X) is attached hereto
( ) was filed on _____ as Application Serial No. _____.

I hereby state that I have reviewed and understand the contents of the above-identified specification, including the claims, as amended by any amendment referred to above.

I acknowledge the duty to disclose information which is material to the examination of this application in accordance with Title 37, Code of Federal Regulations, § 1.56(a).

I claim foreign priority benefits under Title 35, United States Code, § 119 of any foreign application(s) for patent or inventor's certificate listed below and have also identified below any foreign application for patent or inventor's certificate having a filing date before that of the application on which priority is claimed.

COUNTRY	APPLICATION NUMBER	DATE (DAY-MONTH-YEAR)	PRIORITY CLAIMED UNDER 35 USC§ 119
			YES [ ] NO [ ]
			YES [ ] NO [ ]

I hereby claim the benefit under Title 35, United States Code, § 120 of any United States application(s) listed below and, insofar as the subject matter of each of the claims of this application is not disclosed in the prior United States application in the manner provided by the first paragraph of Title § 35, United States Code, § 112, I acknowledge the duty to disclose material information as defined in Title 37, Code of Federal Regulations, § 1.56(a) which occurred between the filing date of the prior application and the national or PCT international filing date of this application:

(Application Serial No.)	(Filing Date)	(Status)
(Application Serial No.)	(Filing Date)	(Status)

I hereby certify that all statements made of my knowledge is true and that all statements made on information and belief is believed to be true; and further that these statements were made with the knowledge that willful false statements and the like so made is punishable by fine or imprisonment, or both, under Title 18 of the United States Code and that such willful false statements may jeopardize the validity of the application or any patent issued thereon.

And I hereby appoint: George P. Hoare, Jr., Reg. No. 19,518; John E. Kidd, Reg. No. 19,916; Nicholas L. Coch, Reg. No. 20,065; Philip E. Roux, Reg. No. 31,295; Robert D. Schaffer, Reg. No. 33,775; and Michael M. O'Shea, Reg. No. 35,631 as my attorneys with full power of substitution and revocation, to prosecute this application and to transact all business in the United States Patent and Trademark Office connected therewith.

Send all correspondence to Robert D. Schaffer, Esq., Rogers & Wells, 200 Park Avenue, New York, NY 10106.

Wherefore I pray that Letters Patent be granted to me for the invention or discovery described and claimed in the foregoing specification and claims, and I hereby subscribe my name to the foregoing specification and claims, declaration and power of attorney and this petition.

Full name of sole inventor: Alan J. Ross

Inventor's Signature: A. J. Ross Date: July 21, 1997

Residence: 974 Dedham Street, Newton, Massachusetts 02159

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